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Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

Programme budget 2016-2017

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Note

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Chapter I
Introduction

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established within the United Nations system as a subsidiary organ of the General Assembly in its resolution 302 (IV) of 8 December 1949. Since starting operations in 1950, UNRWA has adapted and enhanced its programmes to meet the increasingly complex needs of Palestine refugees and to provide them with a measure of protection and stability amid chronic conflict in the region, within available resources. It stands ready to continue to do so during the biennium 2016-2017 in accordance with the triennial mandate that it receives from the Assembly.

2. In August 2015, the Commissioner-General of UNRWA submitted to the Secretary-General a special report on the current financial crisis (see A/70/272) setting out the dramatic dimensions of the funding shortfall, the efforts undertaken to secure funding and the measures taken to maintain critical Agency services. In the special report, he proposed that a process be established, on the basis of consultations with appropriate stakeholders, to continue exploring actively measures that would result in a decisive change towards more sustainable funding of UNRWA operations with a view to enabling the Agency to continue to provide adequate levels of assistance and protection to Palestine refugees in accordance with its mandate. In the context of the biennial budget and the Agency's medium-term strategy for the period 2016-2021, it is essential that the budget be adequately and predictably funded.

3. The mission of UNRWA is to help Palestine refugees to achieve their full potential in human development under the difficult circumstances in which they live, consistent with internationally agreed goals and standards. The Agency fulfils that mission by providing a variety of essential services, within the framework of international standards, to Palestine refugees in the Gaza Strip, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. The mandate of the Agency, which derives from the General Assembly, extends at present to providing education; health care; relief and social services; microfinance and emergency assistance to Palestine refugees; infrastructure and camp improvement within Palestine refugee camps; and protection.

4. UNRWA is well regarded as a pioneer in public service delivery in both stable and fragile contexts. In 2014, the Agency succeeded in educating more than 490,000 children. UNRWA provides access to primary health-care services to families, reaching 3.68 million individuals through well over 9.5 million consultations annually, and contributes towards health outcomes for Palestine refugees that are in line with host countries in areas such as infant and maternal mortality. In 2014, the Agency provided social safety net assistance to 294,000 persons and had a positive impact on the lives of 730,000 people through inclusive and participatory infrastructure and camp improvement interventions. The UNRWA microfinance programme has developed into one of the stronger institutions of its type in the region, delivering, from 1991 to 2010, more than 225,000 loans totalling almost $257 million, and was internationally recognized in 2011 for excellence in social performance reporting. Furthermore, UNRWA has a well-established record of responding rapidly and effectively to emergencies, including in promoting protection, for example, following the hostilities in the Gaza Strip in the summer of 2014 and previously,

during the ongoing Syrian conflict, during the two intifadas in the occupied Palestinian territory and during the Lebanese civil war, to name just a few.

5. UNRWA provides direct services through a workforce of 30,000 staff members, primarily Palestine refugees themselves. The workforce includes 22,000 education staff, 3,300 health-care staff, 1,100 sanitation labourers and 300 social workers, working in some 1,135 locations, including schools, health centres, and technical and vocational training centres, across its five fields of operation.

A. Context

6. The Middle East is experiencing significant political, social and economic changes. Instability and, in some cases, active conflict are expected to characterize the macroenvironment for the biennium. Recent events in all fields of UNRWA operations indicate that the coming biennium could herald even more complexity and uncertainty.

7. While a peaceful, comprehensive and durable solution to the Israeli-Palestinian conflict that includes a final resolution to the plight of Palestine refugees is unlikely during the biennium, the United Nations will remain actively engaged with all relevant actors in an effort to sustain the peace process.

B. Planning assumptions

8. It is assumed that the factors that are causing refugees' needs to increase in terms of both depth and breadth will continue throughout the period 2016-2017.

9. The first year of the biennium could potentially be the ninth year in which the Gaza Strip has experienced an illegal blockade leading to electricity, fuel, food and health crises. The prospect remains that this blockade will continue in some form into the biennium period. The Gaza Strip has been living under the blockade, in isolation and affected by recurrent conflicts for many years and therefore is likely to continue to be one of the weakest economies in the world. The access regime is likely to remain a challenge, with restrictions on the movement of people and goods. Access to land and fishing areas is also likely to remain severely limited, and there may be renewed restrictions on imports. As the blockade continues to restrict Gaza's capacity to create jobs, the majority of the population will be pushed further into poverty and aid dependency. The relatively short yet intense conflicts and incursions that have characterized recent years may continue, with violence and armed conflict resulting in death and injury. The longer-term consequences of hostilities will continue to have an impact on refugees and their needs. In addition, environmental and resource concerns, including the acute water shortage, will pose an increasing threat to Gaza in terms of being a liveable place.

10. In the West Bank, protection challenges resulting from the occupation, including conflict-related violence; detentions, including those of children; military incursions into refugee camps; restrictions on movement and access to productive resources; forced displacement; demolitions of Palestinian-owned structures; and settler violence are expected to continue to affect the daily lives of all Palestinians, including refugees. At the same time, the economy is expected to remain stagnant, contributing to high rates of unemployment, poverty and food insecurity. Taken collectively, these

challenges not only will undermine the ability of Palestinians, including refugees, to live in dignity, leaving them vulnerable to a loss of assets and livelihoods, but also represent significant constraints on the Palestinian Authority in its efforts to provide a full scope of services to Palestinians.

11. The armed conflict in the Syrian Arab Republic continues, with devastating consequences for all civilians. All 12 Palestine refugee camps have been directly affected, including by looting, indirect fire and shelling. Tens of thousands of Palestinian homes have been destroyed. Damage to the economic environment and essential infrastructure has increased dependence on UNRWA and threatens to further reverse human development. Violence and widespread insecurity are expected to continue in the country during the biennium, having an adverse impact on access to areas in which Palestine refugees reside. Palestinians from the Syrian Arab Republic have voiced a deep sense of insecurity about their future in the country and the wider region. Even in the unlikely event of a halt to all violence, the widespread damage to homes and to health and education infrastructure will require a considerable reconstruction effort, and the challenges of economic recovery will be immense.

12. Lebanon's stability, including its security and economy, are likely to continue to be negatively affected by the ongoing conflict in the Syrian Arab Republic and the more than 1 million Syrian refugees it is hosting. Despite some significant challenges, it is not expected that there will be internal strife, although the security situation will remain tense, and sporadic violence is possible. It is assumed that stresses generated by a large refugee population, coupled with limited national resources and an economy facing challenges, will further negatively affect Lebanon's policy towards all refugees from the Syrian Arab Republic, in particular Palestine refugees, preventing them from entering and increasing the risk that they will be returned by force.

13. It is assumed for planning purposes that the Government will continue to restrict the admission of Palestine refugees fleeing the conflict in the Syrian Arab Republic and, as a result, Palestine refugees in Jordan will continue to face vulnerabilities associated with a lack of legal status and threats of deportation. Jordan will, nevertheless, continue to host millions of refugees, whether they are Palestine refugees or from the Syrian Arab Republic or Iraq. This trend will entail growing challenges for the stability of the country, in particular in terms of its economy and limited natural resources, most notably water. Heightened external security threats are expected to continue to pose a risk of giving rise to internal conflict.

14. It is assumed that the macroenvironment will be characterized by a continuation of the current cycle of complex emergencies. With a growing number of refugees living in poverty and the absence of a solution to the refugee question, demand for the Agency's emergency assistance will persist, together with a growing demand for core services.

15. Palestine refugees are continuing to face a human development and protection crisis, including widespread violations of human rights, which will have significant adverse effects on the human development and well-being of Palestine refugees. Levels of food insecurity and poverty are high and increasing. Rates of youth unemployment, especially affecting female youth, are alarming. While Palestine refugees have strong human capital as a result of the education and health structures provided by UNRWA and host authorities, the majority of refugees do not have access to the full range of assets required for sustainable livelihoods, including those

required to develop coping strategies and build resilience. Poverty rates and unemployment are particularly acute in a number of Palestine refugee camps and communities. In this context, an impoverished, embittered and isolated population will turn increasingly to risky and dangerous behaviours, with implications for host communities and countries in the region.

16. A failure of Member States to provide full support to UNRWA, financially and otherwise, not only will have an impact on the Agency's ability to fully implement the mandate given to it by the General Assembly and to provide protection and assistance to Palestine refugees, but also could increase the burden on the already strained public services of host authorities.

C. Budget structure

17. UNRWA reports directly to the General Assembly. Overall advice and support to the Commissioner-General regarding UNRWA programmes and activities are provided by the 28-delegation Advisory Commission (comprising 25 members and 3 observers), which includes representatives of the Agency's major donors and host Governments. In its resolution 3331 B (XXIX), the Assembly decided that, with effect from 1 January 1975, the expenses for salaries of international staff in the service of UNRWA, which would otherwise have been charged to voluntary contributions, should be financed by the regular budget of the Organization for the duration of the Agency's mandate (see figure I).

18. UNRWA has been operating in pursuit of strategic goals and objectives set out in its medium-term strategy for the period 2010-2015. These have been reflected in the UNRWA programme budgets for 2012-2013 and for 2014-2015 and in the annual reports of the Commissioner-General.

19. In early 2013, UNRWA conducted a midterm evaluation of the medium-term strategy for the period 2010-2015, the results and recommendations of which were presented to the Agency's management and Advisory Commission. In early 2013, UNRWA commenced the development of its next medium-term strategy, for the period 2016-2021, which is informed by the findings of the midterm evaluation and guided by the ongoing work to develop post-2015 sustainable development goals. The medium-term strategy for the period 2016-2021 remained a work in progress at the time that the biennial programme plan for the period 2016-2017 was approved by the General Assembly.

20. In November 2014, the Agency's Advisory Commission endorsed the substance of a new medium-term strategy for the period 2016-2021. The strategy has similarities to the medium-term strategy for the period 2010-2015, but also contains some very important improvements, including ones that reflect the sustainable development goals. Poverty and the centrality of human rights are at the core of the strategy. The medium-term strategy for the period 2016-2021 recognizes that poverty is multidimensional and that its mitigation and/or eradication can be achieved only through a coordinated, multisectoral response. The sustainable development goals focus on achieving food security, attaining gender equality, achieving peaceful and inclusive societies responding to changing health needs (including those related to mental health and psychosocial well-being), equitable and inclusive quality education, water and sanitation, and reducing inequalities, among other things. All of those issues are addressed in the medium-term strategy for the period 2016-2021.

21. Although the results chain of the medium-term strategy for the period 2016-2021 contains a number of differences at the output and activity levels, the overall relationship between the previous medium-term strategy (which is reflected in the strategic framework and in the programme budget) and the framework incorporated into the medium-term strategy for the period 2016-2021 is described in the box below.

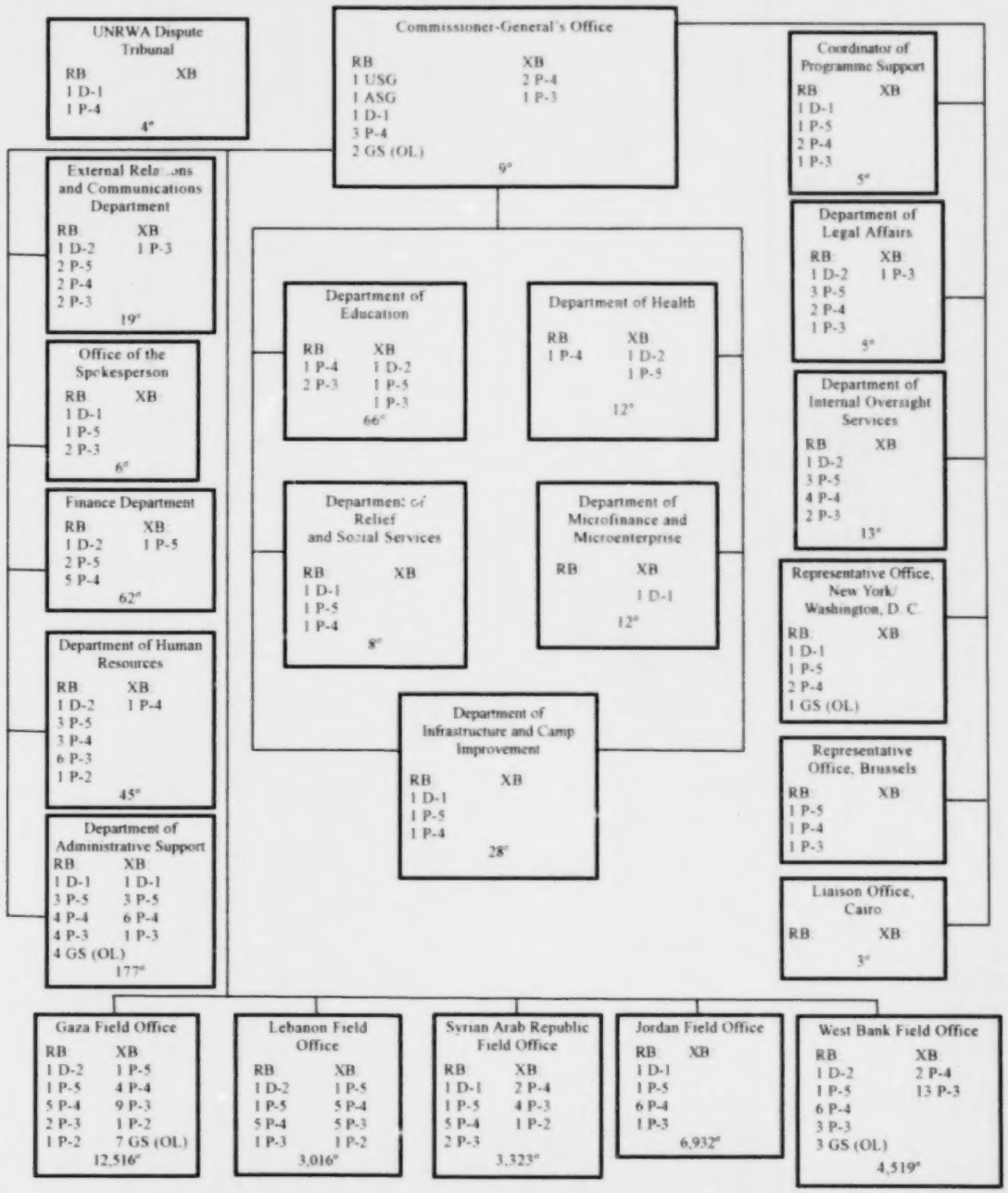
Human development goals (medium-term strategy for the period 2010-2015)		*Strategic outcomes (medium-term strategy for the period 2016-2021)*
A long and healthy life	→	Health is protected and the disease burden is reduced
Acquired knowledge and skills	→	School-age children complete quality, equitable and inclusive basic education
A decent standard of living	→	Capabilities strengthened for increased livelihood opportunities
	→	Refugees are able to meet their basic human needs of food, shelter and environmental health
Human rights enjoyed to the fullest	→	Rights under international law are protected and promoted

22. UNRWA will, at the earliest opportunity, seek to incorporate its updated results chain into the strategic framework for approval by the General Assembly. In the meantime, in presenting the programme budget 2016-2017, UNRWA has adopted the structure and language reflected in the biennial programme plan for the period 2016-2017, as approved by the Assembly (A/69/6/Rev.1).

23. In compliance with regulation 9.2 of the updated Financial Regulations and Rules of the United Nations, which comply with the International Public Sector Accounting Standards (IPSAS), effective 1 January 2012 the biennial budget is in line with modified cash basis principles under the United Nations system accounting standards. For internal management purposes, the budget is also aligned with IPSAS (accrual budgeting) principles, and therefore the programme budget for the biennium 2016-2017 also includes one chapter (chapter IX) representing a reconciliation between IPSAS and the United Nations system accounting standards.

Figure I

United Nations Relief and Works Agency for Palestine Refugees in the Near East structure and post distribution for the biennium 2016-2017



Note: Eighty international posts are funded through extrabudgetary resources.

Abbreviations: USG, Under-Secretary-General; ASG, Assistant Secretary-General; XB, extrabudgetary; RB, regular budget; GS, General Service; OL, Other level.

* Local posts. The total number of local posts at the end of 2017 will be 30,780. The total number of international posts funded through the regular budget of the United Nations is 149.

Table 1

Programme budget for the biennium 2016-2017

A. Summary of 2016-2017 Agency-wide total budget volume by human development goal

(Thousands of United States dollars)

	Fiscal year 2016					*Fiscal year 2017*					*Biennium 2016-2017*				
	Regular budget					*Regular budget*					*Regular budget*				
Goal	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*
A long and healthy life	128 174	3 884	132 058	49 617	181 675	130 459	3 892	134 351	39 236	173 587	258 633	7 777	266 410	88 853	355 263
Acquired knowledge and skills	349 483	739	350 222	71 093	421 315	362 317	759	363 076	9 271	372 347	711 800	1 498	713 298	80 364	793 662
A decent standard of living[b]	78 513	1 008	79 521	564 390	643 911	78 976	1 030	80 006	130 480	210 486	157 489	2 038	159 527	694 870	854 397
Human rights enjoyed to the fullest	7 841	5	7 846	7 000	14 846	8 004	5	8 009	7 000	15 009	15 845	10	15 855	14 000	29 855
Effective and efficient governance and support in UNRWA	147 085	1 349	148 434	3 248	151 682	148 950	1 356	150 306	3 282	153 588	296 035	2 704	298 739	6 530	305 269
Total goal requirements	**711 096**	**6 985**	**718 081**	**695 348**	**1 413 429**	**728 706**	**7 042**	**735 748**	**189 269**	**925 017**	**1 439 802**	**14 027**	**1 453 829**	**884 617**	**2 338 446**
Contingency reserve	9 461		9 461		9 461	6 652		6 652		6 652	16 113	–	16 113	–	16 113
Severance/early voluntary retirement	29 157		29 157		29 157	32 424		32 424		32 424	61 581	–	61 581	–	61 581
Value added reserve[c]	1 000		1 000		1 000	–		–		–	1 000	–	1 000	–	1 000
Total other requirements	**39 618**	**–**	**39 618**	**–**	**39 618**	**39 076**	**–**	**39 076**	**–**	**39 076**	**78 694**	**–**	**78 694**	**–**	**78 694**
Total resource requirements	**750 714**	**6 985**	**757 699**	**695 348**	**1 453 047**	**767 782**	**7 042**	**774 824**	**189 269**	**964 093**	**1 518 496**	**14 027**	**1 532 523**	**884 617**	**2 417 140**

[a] Excludes the cost of 1 international post that may not be funded by the Regular Budget of the United Nations during the biennium 2016-2017.

[b] Includes Social Safety Net Programme Food Reserve of $26 million per annum.

[c] Reflects the forecasted value added tax not settled by the Palestinian Authority in the biennium 2016-2017.

B. Summary of 2016-2017 Agency-wide total budget volume by programme

(Thousands of United States dollars)

	Fiscal year 2016					*Fiscal year 2017*					*Biennium 2016-2017*				
	Regular budget					*Regular budget*					*Regular budget*				
Programme	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*
Education programme	383 713	2 057	385 770	75 454	461 224	397 056	2 096	399 152	13 572	412 724	780 768	4 155	784 923	89 025	873 948
Health programme	117 288	4 447	121 735	28 084	149 819	119 380	4 457	123 837	18 862	142 699	236 667	8 904	245 571	46 946	292 517
Relief and Social Services Programme[b]	62 972	225	63 197	6 500	69 697	63 193	228	63 421	6 500	69 921	126 165	452	126 617	13 000	139 617
Infrastructure and Camp Improvement Programme	31 232	4	31 236	573 970	605 206	31 879	4	31 883	138 926	170 809	63 111	8	63 119	712 896	776 015
Executive Direction	20 682	222	20 904	11 340	32 244	20 689	227	20 916	11 409	32 325	41 371	449	41 820	22 750	64 570
Support departments	95 209	30	95 239	–	95 239	96 509	30	96 539	–	96 539	191 719	60	191 779	–	191 779
Total programme requirements	**711 096**	**6 985**	**718 081**	**695 348**	**1 413 429**	**728 706**	**7 042**	**735 748**	**189 269**	**925 017**	**1 439 802**	**14 027**	**1 453 829**	**884 617**	**2 338 446**
Contingency reserve	9 461		9 461		9 461	6 652		6 652		6 652	16 113	–	16 113	–	16 113
Severance/early voluntary retirement	29 157		29 157		29 157	32 424		32 424		32 424	61 581	–	61 581	–	61 581
Value added tax reserve[c]	1 000		1 000		1 000	–		–		–	1 000	–	1 000	–	1 000
Total other requirements	**39 618**	**–**	**39 618**	**–**	**39 618**	**39 076**	**–**	**39 076**	**–**	**39 076**	**78 694**	**–**	**78 694**	**–**	**78 694**
Total resource requirements	**750 714**	**6 985**	**757 699**	**695 348**	**1 453 047**	**767 782**	**7 042**	**774 824**	**189 269**	**964 093**	**1 518 496**	**14 027**	**1 532 523**	**884 617**	**2 417 140**

[a] Excludes the cost of 1 international post that may not be funded by the regular budget of the United Nations during the biennium 2016-2017.

[b] Includes Social Safety Net Programme Food Reserve of $26 million per annum.

[c] Reflects the forecasted value added tax not settled by the Palestinian Authority in the biennium 2016-2017.

Table 2

Regular budget requirements by field office and headquarters

(Cash and in kind, thousands of United States dollars)

Field office headquarters	*2012 expenditure*	*2013 expenditure*	*2014 expenditure*	*2015 budget*	*2016 estimate*[a]	*2017 estimate*[a]
Gaza Strip	224 135	231 897	206 250	224 707	235 943	248 237
Lebanon	77 228	86 718	87 265	92 380	91 065	92 510
Syrian Arab Republic	47 626	35 067	27 889	60 297	61 019	61 651
Jordan	120 490	131 465	128 891	148 609	142 557	143 888
West Bank	99 662	100 671	114 884	104 125	111 383	113 106
Headquarters	52 119	51 071	53 062	54 808	76 114	76 356
Education programme	2 315	2 404	2 532	2 915	3 025	3 052
Health programme	1 009	1 057	1 011	1 296	1 233	1 232
Relief and Social Services Programme	1 062	1 000	1 250	10 582[b]	27 485[b]	27 452[b]
Infrastructure and Camp Improvement Programme	1 560	1 564	1 547	1 887	1 672	1 693
Executive Direction					11 285	11 285
Support departments	46 173	45 046	46 722	38 128	31 414	31 642
Subtotal	**621 260**	**636 889**	**618 241**	**684 926**	**718 081**	**735 748**
Contingency reserve[c]				14 000	9 461	6 652
Salary reserve[c]				15 000	–	–
Severance/early voluntary retirement				–	29 157	32 424
Value added tax reserve[c]				15 000	1 000	–
Budget risk reserve[c]				14 834	–	–
Subtotal	–	–	–	**58 834**	**39 618**	**39 076**
Total resource requirements	**621 260**	**636 889**	**618 241**	**743 760**	**757 699**	**774 824**

[a] Excludes the cost of one international post that may not be funded by the regular budget of the United Nations during the biennium 2016-2017.

[b] Includes Social Safety Net Programme Food Reserve of $9 million, $26 million and $26 million for the years 2015, 2016 and 2017, respectively.

[c] Comparative figures for 2012-2014 are integrated into the respective field office and headquarters department/programme expenditure.

Figure II
Regular budget by field office and headquarters

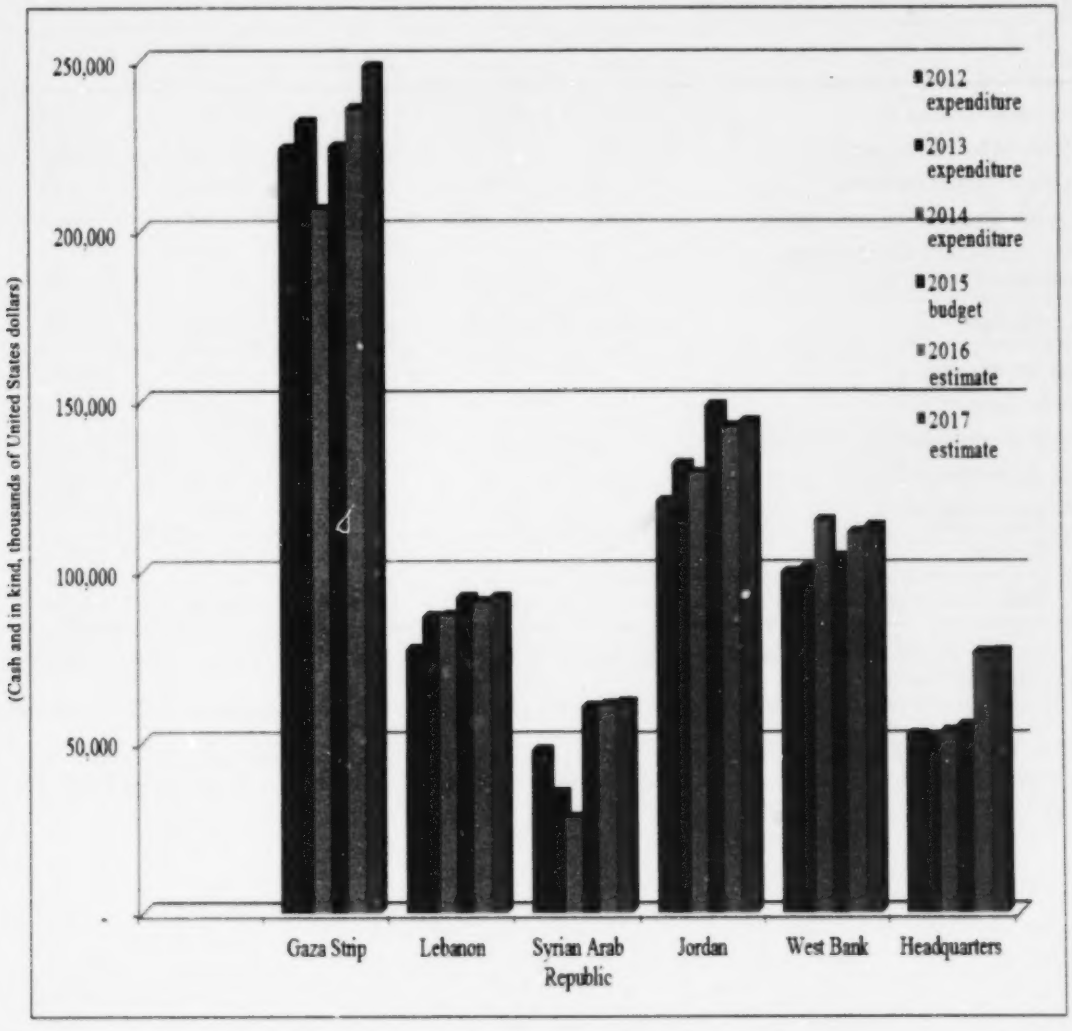


Table 3

Regular budget requirements by human development goal

(Cash and in kind, thousands of United States dollars)

Goal	*2012 expenditure*	*2013 expenditure*	*2014 expenditure*	*2015 budget*	*2016 estimate*[a]	*2017 estimate*[a]
A long and healthy life	115 804	104 862	93 910	133 926	132 058	134 351
Acquired knowledge and skills	342 106	352 750	333 867	358 578	350 222	363 076
A decent standard of living	55 732	47 626	44 423	75 939[b]	79 521[b]	80 006[b]
Human rights enjoyed to the fullest	3 680	3 558	3 585	3 947	7 846[d]	8 009
Effective and efficient governance and support in UNRWA	103 938	128 093	142 455	112 536	148 434	150 306
Subtotal	**621 260**	**636 889**	**618 240**	**684 926**	**718 081**	**735 748**
Contingency reserve[c]				14 000	9 461	6 652
Salary reserve[c]				15 000	–	–
Severance/early voluntary retirement				–	29 157	32 424
Value added tax reserve[c]				15 000	1 000	–
Budget risk reserve[c]				14 834	–	–
Subtotal	–	–	–	**58 834**	**39 618**	**39 076**
Total resource requirements	**621 260**	**636 889**	**618 240**	**743 760**	**757 699**	**774 824**

[a] Excludes the cost of one international post that may not be funded by the regular budget of the United Nations during the 2016-2017 biennium.

[b] Includes Social Safety Net Programme Food Reserve of $9 million, $26 million and $26 million for 2015, 2016 and 2017, respectively.

[c] Comparative figures for 2012-2014 are integrated into the respective human development goals expenditure.

[d] Major increase between 2015 and 2016 is due to the adoption of a new uniform strategic framework for 2016-2017. Several subprogrammes formerly allocated to goals 3 and 5 are now allocated to goal 4.

Figure III
Regular budget by human development goal

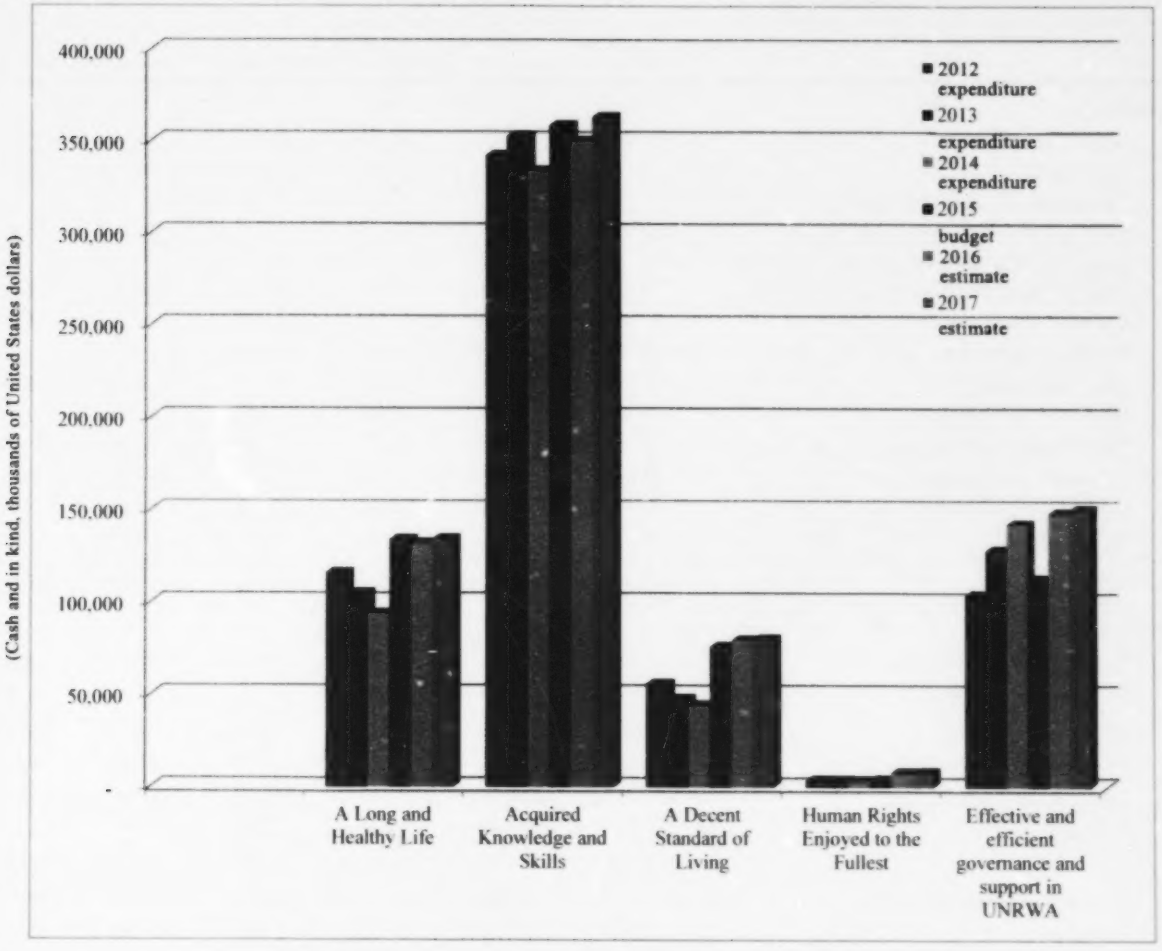


Table 4
Regular budget requirements by resource
(Cash and in kind, thousands of United States dollars)

Goal	*2012 expenditure*	*2013 expenditure*	*2014 expenditure*	*2015 budget*	*2016 estimate*[a]	*2017 estimate*[a]
Staff costs						
International staff	26 635	29 724	29 421	29 938	32 028	32 028
Basic salaries	327 816	326 296	314 024	369 717	397 078	411 499
Hazard pay and special elements	727	14	1 847	–	–	–
Provident Fund Agency contributions	48 544	49 745	48 532	55 363	58 856	60 850
Senior Professional Officer Allowance, Special Occupational Allowance and others	9 447	9 729	10 231	10 946	12 492	12 749
Overtime and excess hours supplement	554	564	790	673	998	1 004
Currency adjusting factor	19 767	32 830	37 993	12 459	–	–
Special allowances	18 088	18 038	18 073	19 627	18 416	18 616
Health-related expenses	5 929	8 355	8 456	8 172	9 197	9 259
Miscellaneous allowances	313	223	79	302	176	176
Severance cash payment out	28 667	25 072	4 025	16 103	1 103	1 103
Limited-duration contract cost	7 239	8 244	9 238	7 765	8 898	8 744
Temporary staff	1 874	1 923	2 720	3 088	2 393	2 563
Subtotal	**495 600**	**510 757**	**485 429**	**534 153**	**541 635**	**558 591**
Non-staff costs						
Consumption of inventories	33 756	28 676	35 826	44 542	37 991	38 497
Non-inventory supplies	18 019	18 118	15 045	13 954	19 741	19 364
Utilities	4 030	4 872	5 610	6 921	6 412	6 559
Maintenance of premises	9 644	9 883	9 739	7 939	10 014	10 167
Equipment and construction	16 082	17 675	19 529	13 681	12 799	12 844
Training	1 150	990	1 007	1 580	1 467	1 507
Travel	2 011	1 551	1 778	1 992	2 305	2 268
Administrative support services	4 807	4 401	5 197	5 528	6 280	6 232
Consultancy services	2 496	1 985	3 422	2 140	2 550	2 543
Hospital services	10 792	15 947	15 812	18 016	19 857	19 987
Miscellaneous services	9 594	9 273	8 744	12 203	14 115	14 250
Subsidies to hardship cases	13 710	11 366	8 604	7 501	9 327	9 328
Subsidies to patients	2 804	3 296	4 391	5 247	9 434	9 458
Third-party subsidies	–	749	680	156	71	71
Other subsidies	707	255	344	282	362	362
Reserves	–	–	–	9 749[b]	26 125[b]	26 125[b]
Cost recovery	(3 941)	(2 905)	(2 917)	(658)	(2 404)	(2 405)
Depreciation[c]	–	–	–	–	–	–
Subtotal	**125 661**	**126 132**	**132 811**	**150 773**	**176 446**	**177 157**
Total staff and non-staff cost	**621 261**	**636 889**	**618 240**	**684 926**	**718 081**	**735 748**

Goal	*2012 expenditure*	*2013 expenditure*	*2014 expenditure*	*2015 budget*	*2016 estimate*[a]	*2017 estimate*[a]
Contingency reserve[c]				14 000	9 461	6 652
Salary reserve[c]				15 000	–	–
Severance/early voluntary retirement				–	29 157	32 424
Value added tax reserve[c]				15 000	1 000	–
Budget risk reserve[c]				14 834	–	–
Subtotal	–			**58 834**	**39 618**	**39 076**
Total resource requirements	**621 260**	**675 292**	**731 566**	**743 760**	**757 699**	**774 824**

[a] Excludes the cost of one international post that may not be funded by the regular budget of the United Nations during the biennium 2016-2017.

[b] Includes Social Safety Net Programme Food Reserve of $9 million, $26 million and $26 million for the years 2015, 2016 and 2017, respectively.

[c] Comparative figures for 2012-2014 are integrated into the respective resource of expenditure.

Figure IV
Regular budget by resources

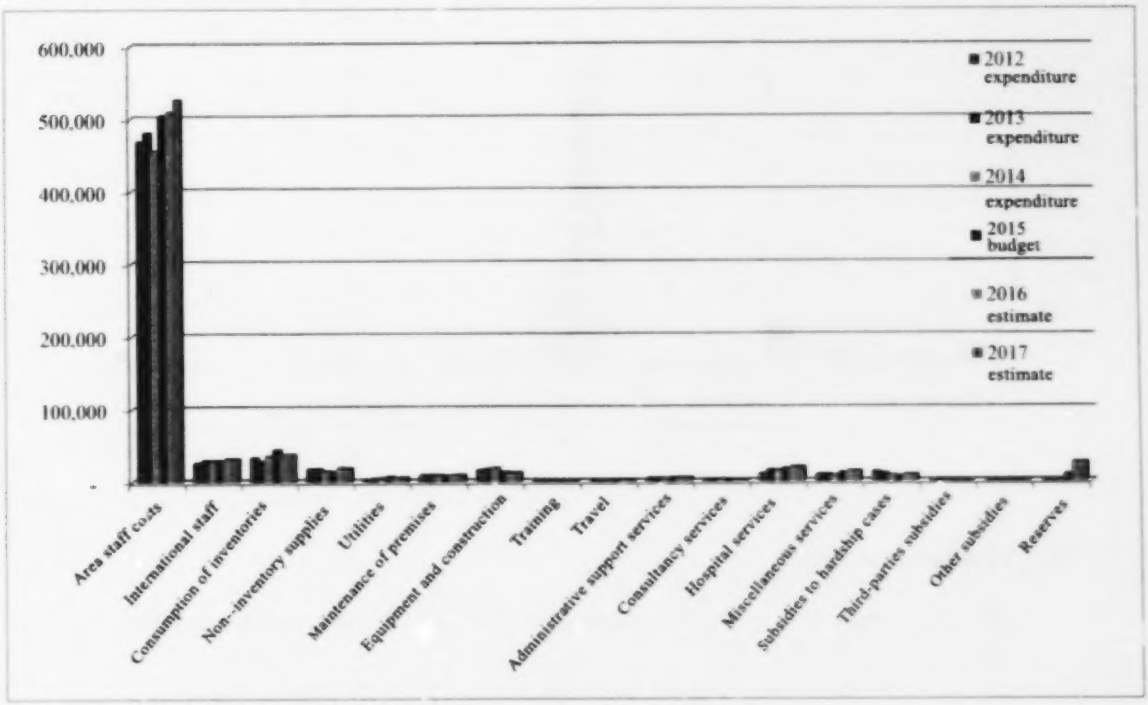


Table 5

Project budget by goal and field office/headquarters for the biennium 2016-2017

(Thousands of United States dollars)

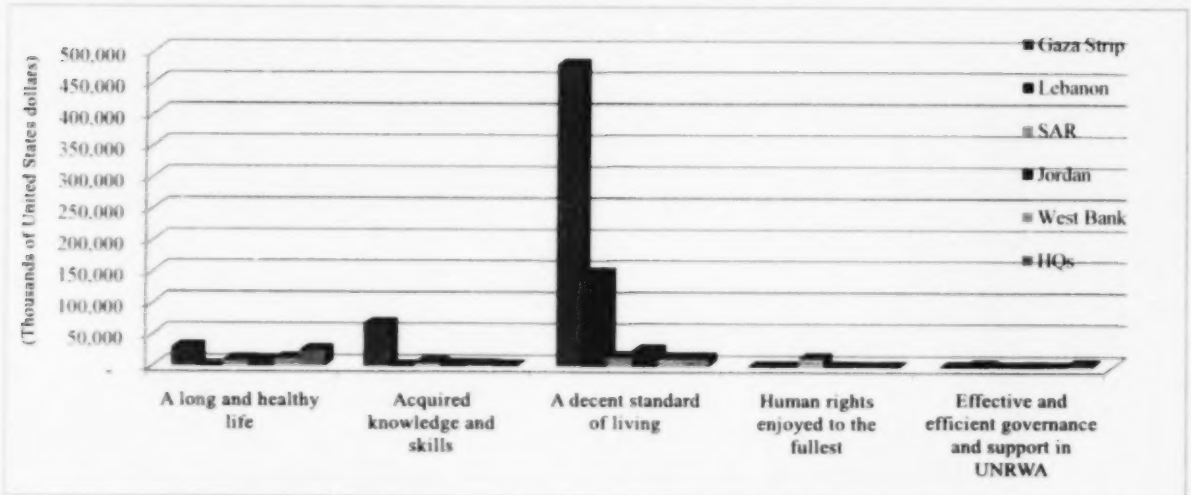
Goal	*Gaza Strip*[a]	*Lebanon*[b]	*Syrian Arab Republic*	*Jordan*	*West Bank*	*Headquarters*	*Total*
A long and healthy life	30 000	–	10 400	9 850	12 767	25 836	88 853
Acquired knowledge and skills	67 597	–	6 600	2 660	2 256	1 251	80 364
A decent standard of living	479 600	147 027	15 000	25 800	13 582	13 861	694 870
Human rights enjoyed to the fullest	–	–	14 000	–	–	–	14 000
Effective and efficient governance and support in UNRWA	–	2 250	–	–	–	4 280	6 530
Grand total	**577 197**	**149 277**	**46 000**	**38 310**	**28 605**	**45 228**	**884 617**

[a] The Gaza Strip project budget includes $577.2 million towards Gaza reconstruction.

[b] The Lebanon Field Office project budget includes $138.7 million for Nahr el-Bared Camp.

Figure V

Project budget by goal and field office/headquarters for the biennium 2016-2017



D. Human resources

24. In order to deliver its core programmes and projects, the Agency employs international and area staff.

25. In compliance with General Assembly resolution 3331B (XXIX), during the 2014-2015 biennium, 150 international staff posts were funded from the regular budget of the United Nations.

26. In line with General Assembly resolution 69/264, the Controller of the United Nations has requested UNRWA to make proposals for savings in the United Nations programme budget for the biennium 2014-2015. In response, UNRWA proposes a

reduction of one post of Security Officer (P-3). As of July 2015, UNRWA was engaged in ongoing discussions with the General Assembly's Advisory Committee on Administrative and Budgetary Questions on this proposal.

27. In addition, 80 international staff posts are funded from sources other than the regular budget of the United Nations, with 76 posts funded by projects; two funded by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and two funded by the World Health Organization (WHO).

Table 6
International Staffing Requirements 2016-2017

Post grade	*United Nations regular budget*[a]	*Other sources*
Professional and higher		
Under-Secretary-General	1	–
Assistant Secretary-General	1	–
D-2	8	2
D-1	10	2
P-5	27	8
P-4/P-3	90	58
P-2/P-1	2	3
Subtotal	**139**	**73**
General Service	10	7
Subtotal	**10**	**7**
Total	**149**	**80**

[a] Excludes one post that may not be funded by the regular budget of the United Nations during the biennium 2016-2017.

28. As of the end of April 2015, programmes are otherwise delivered primarily through 29,507 local ("area") staff, the number of which will need to increase up to the approved workforce ceiling of 30,765 by the end of 2017 if the Agency is to realize the achievements set out in the current budget (see table 7). One factor contributing to this is the rising number of refugees served.

Table 7
Estimated number of area staff as at 31 December 2017 by human development goal

Goal	*Gaza*	*Lebanon*	*Syrian Arab Republic*	*Jordan*	*West Bank*	*Headquarters*	*Total*
A long and healthy life	1 333	608	497	1 018	970	20	4 446
Acquired knowledge and skills	10 006	1 802	2 357	5 147	2 604	64	21 980
A decent standard of living	524	239	142	350	342	22	1 619
Human rights enjoyed to the fullest	47	16	61	41	37	4	206
Effective and efficient governance and support in UNRWA	606	351	266	376	566	349	2 514
Total	**12 516**	**3 016**	**3 323**	**6 932**	**4 519**	**459**	**30 765**

E. Financial situation

29. With the exception of international staff posts funded by the United Nations regular budget through assessed contributions and posts provided by other United Nations agencies, the ongoing operations, projects and emergency appeals of UNRWA are funded by voluntary contributions.

30. Table 8 shows the funding status of the UNRWA budget for 2015.

31. The financial results for the fiscal year 2015 illustrate the funding shortfalls experienced by the Agency in its efforts to implement its mandate. The funding gap (deficit), as of July 2015, for the regular budget (UNRWA General Fund) amounted to $101.2 million and the projects budget experienced a shortfall of $191.5 million, whereas the 2015 emergency appeal was underfunded by $995.6 million.

Table 8
Funding status of the Agency, 2015
(Millions of United States dollars)

	Regular budget	*Projects*	*Emergency appeal*
Contributions and income	534.2	46.9[a]	554.1[a]
Budget	635.4	238.4	1 549.7[b]
Funding gap	**(101.2)**	**(191.5)**	**(995.6)**

[a] Represents confirmed pledges as of July 2015 (cash received and not received).
[b] Represents the amount requested in the 2015 emergency appeal for the Occupied Palestinian Territory of $414.4 million, the Syrian Regional Crisis Response Plan of $415.3 million, and Gaza recovery and reconstruction appeal of $720 million.

32. Current projections of income and expenditure (see table 9) indicate funding gaps for the regular cash budget of $200.6 million and $222.2 million in 2016 and 2017, respectively. This shortfall results from lower income (based on indicative estimates from donors and estimated interest income) of $550.1 million and $545.6 million, compared with budgeted expenditures of $750.7 million and $767.8 million,

in 2016 and 2017, respectively. Without additional contributions, the Agency will not be in a position to fully implement its budgeted activities.

Table 9
Expected funding status of Agency — regular budget, 2016-2017
(Millions of United States dollars)

	2016	*2017*
Projected income	550.1	545.6
Budget	750.7	767.8
Funding gap	**(200.6)**	**(222.2)**

33. Income projections by donor for 2016 and 2017 are shown in table 10.

Table 10
Income projections for the General Fund — 2015-2017
(Thousands of United States dollars)

Donor	*Income forecast 2015[a]*	*Income forecast 2016*	*Income forecast 2017*
United States of America	130 000	130 000	130 000
European Union	89 325	89 000	89 000
United Kingdom	45 090	45 000	45 000
Sweden	35 859	36 000	36 000
Japan	24 822	25 000	25 000
Norway	19 352	19 000	19 000
Switzerland	17 532	18 000	18 000
Netherlands	14 739	15 000	15 000
Australia	14 493	15 000	15 000
Denmark	14 064	14 000	14 000
Germany	9 150	9 000	9 000
France	8 026	8 000	8 000
Belgium (including Flanders)	6 991	7 000	7 000
Italy	6 536	7 000	7 000
Luxembourg	5 229	5 000	5 000
Finland	4 772	5 000	5 000
Ireland	4 242	4 000	4 000
Spain (including regions)	2 085	2 000	2 000
Kuwait	2 000	2 000	2 000
Russia	2 000	2 000	2 000
Saudi Arabia	2 000	2 000	2 000
United Arab Emirates	1 800	1 800	1 800
Austria	1 687	2 000	2 000
Turkey	1 250	1 250	1 250

Donor	*Income forecast 2015*[a]	*Income forecast 2016*	*Income forecast 2017*
Other donor income	45 039	10 500	11 000
Subtotal	**508 084**	**474 550**	**475 050**
Interest	600	600	600
Programme support costs recoveries	60 000	45 000	40 000
International staff funded through assessed contributions	29 082	29 933	29 933
Total	**587 180**	**550 083**	**545 583**

[a] Expected end-of-year forecast based on information available by the end of June 2015.

34. The UNRWA Resource Mobilization Strategy for 2012-2015 included three high-level strategic objectives: to deepen partnerships with traditional donors, to diversify the donor base and to develop improved cross-Agency capacity to mobilize resources and manage donor relations. On the basis of the evaluation of the Resource Mobilization Strategy for 2012-2015, the Department of External Relations will prepare a resource mobilization strategy for the period 2016-2019. UNRWA will seek endorsement of the Strategy for 2016-2019 Resource Mobilization Strategy at the November 2015 meeting of the Advisory Commission.

35. Traditional donors have remained key supporters of UNRWA, providing 80 to 90 per cent of the Agency's overall funding requirements. Although traditional donors have increased their overall contribution to UNRWA in recent bienniums, funding from traditional donors has not kept pace with increased requirements of 6.4 per cent per annum over the past two bienniums. In response to chronic funding shortfalls, UNRWA has depleted its contingency reserves, institutionalized austerity measures and sought to diversify the donor base by systematically reaching out to Arab partners, non-traditional donors, emerging markets and private partners.

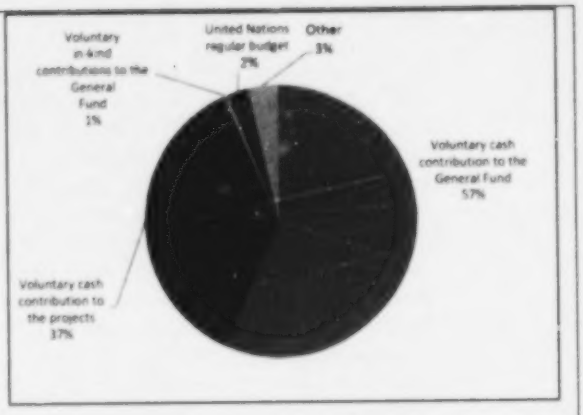
36. UNRWA seeks to further strengthen both internal and external communications. By improving the flow of information, the Agency is in a better position to increase its transparency and accountability vis-à-vis donors, in turn creating an environment conducive to sustaining relationships with new and existing donors.

37. Figure VI shows the expected sources of funding of the Agency's total budget volume for 2016 and 2017, including both the regular and the project budget.

Figure VI
Budget funding — 2016-2017

(Thousands of United States dollars)

Voluntary cash contribution to the General Fund	1 372 430
Voluntary cash contribution to the projects	884 617
Voluntary in-kind contributions to the General Fund	14 027
United Nations regular budget	59 866
Other (programme support costs recoveries and interest)	86 200
Total	**2 417 140**


Voluntary in-kind contributions to the General Fund 1%
United Nations regular budget 2%
Other 3%
Voluntary cash contribution to the General Fund 57%
Voluntary cash contribution to the projects 37%

38. Voluntary contributions will be requested to cover about 94 per cent of total budget volume for 2016-2017, of which 60 per cent are cash contributions to the General Fund, 39 per are cent cash receipts to fund projects and about 1 per cent are in-kind contributions to the General Fund.

39. The funding of 149 international posts from the United Nations regular budget (excluding 1 international post that may not be funded from the regular budget during the biennium 2016-2017) accounts for about 2.5 per cent annually of the total budget volume. The remaining 3.6 per cent of other income is derived from the following sources:

(a) Interest income and miscellaneous income, including programme support costs, of $45 million and $40 million in 2016 and 2017, respectively;

(b) Funding of 6 staff posts (2 international and 4 area staff posts) by UNESCO and 4 posts (2 international and 2 area staff posts) by WHO as part of their technical assistance to the education and health programmes, respectively.

40. If donor contributions continue to fall short of the levels required to finance rising levels of service delivery requirements, the resulting constraints on the Agency's capacity will continue to undermine the human development standards of Palestine refugees and place additional pressure on host authorities.

41. UNRWA recognizes that the resource scarcity resulting from the current global economic climate, growing needs resulting from population growth and inflationary pressures require the Agency to prioritize services and activities within and between its main programmes. The budget therefore encompasses funding for only an identified set of core activities fundamental to meeting the basic needs of Palestine refugees. The resources required to do so are necessary for the Agency to fulfil the essence of its mandate in providing protection and assistance to Palestine refugees.

Chapter II
Goal 1: a long and healthy life

A. Human development goal

42. Health is a state of complete physical, mental and social well-being, not merely the absence of disease or infirmity. The right to health is a fundamental human right to which all individuals are entitled. It is also an instrumental element of human development. Health is at the heart of a range of interconnected achievements and deprivations. In addition to the widely recognized link between health and economic growth, achievements in health are instrumental to education outcomes, cognitive development, employment opportunities and income-earning potential. Illness, malnourishment, mental illness and other deprivations in terms of health often lead to a reduction in other capabilities. UNRWA contributes towards realizing this right for Palestine refugees by providing quality and universally accessible primary health care. In 2014, some 3.5 million persons, equivalent to more than 70 per cent of the total registered population, accessed UNRWA health services. The Agency delivers these services primarily through 138 primary health-care facilities, utilizing a workforce of more than 3,300 health staff. Among the Palestine refugee population, mothers, young children and persons with non-communicable diseases use the Agency's services the most.

43. In 2011 UNRWA began a reform process based on a Family Health Team approach and the development of electronic medical records (e-Health). Together, the reforms are aimed at modernizing the Agency's primary health services and making them more person-centred and more efficient. In addition to its primary health-care subprogramme, UNRWA administers a hospitalization programme. The majority of services are provided by public or private hospitals through various types of contracts. In addition, the Agency runs one hospital in the West Bank: Qalqilya Hospital. Unlike primary health services, hospitalization support differs from field to field, depending on local circumstances. Around 76,000 hospital admissions are supported annually (not including the Syrian Arab Republic).

B. Constraints and challenges

44. The Palestine refugee population is marked by an increasingly ageing population and increasing prevalence of non-communicable diseases. Unhealthful lifestyles are common, and therefore many of the current and emerging health threats facing Palestine refugees are inherently chronic non-communicable diseases, which require costly care and treatment.

45. Physical violence and abuse present serious health problems for many Palestine refugees. In addition, psychosocial and mental health problems are on the rise, particularly in those communities affected by death, disease, displacement and a loss of assets as a result of war and conflict. Increasing levels of poverty have an impact on refugees' ability to obtain medical assistance beyond that provided by UNRWA.

46. Refugees face protection challenges in accessing health care as a result of violence and other obstacles or because of geographical shifts in the refugee population away from established health centres.

47. UNRWA has faced a number of challenges in implementing an electronic health information management system (e-Health), including lack of funding, inadequate information and communications technology infrastructure in many health centres and the need to build the capacity to enable all users to move to an electronic system.

48. Many of the health facilities are in old buildings whose maintenance has been neglected over the years because of funding constraints. Resource constraints restrict the Agency's ability to conduct the assessments necessary to ensure that health facilities are capable of resisting seismic activities, are environmentally sound, enable efficient delivery of services and are safe for use.

49. Furthermore, sanitation-related communicable diseases are still a problem in some Palestine refugee camps, as access to potable water and sanitation is worsening across the UNRWA fields of operation. This is particularly a problem in conflict contexts.

C. Expected accomplishments

50. UNRWA will continue to provide universally accessible quality primary health care. It will maximize the impact of the Family Health Team reforms to promote the proper diagnosis and treatment of key diseases and conditions and reduce the duration of illness and the incidence of often life-threatening complications, especially those that arise from non-communicable diseases. Such care will also seek to address the promotion of preventive factors contributing to psychosocial well-being and behavioural risk factors leading to non-communicable diseases throughout Palestine refugees' life. The Family Health Team approach will reinforce the role of health staff in addressing the determinants of health and strengthen outreach activities and community participation. Cross-cutting services will include preventive oral health care. Through training and capacity-building as well as partnerships, UNRWA will ensure that medical and paramedical members of the Family Health Team are better able to identify mental disorders and psychosocial problems. UNRWA will equip those staff with the skills and knowledge needed for handling cases that do not require specialist care.

51. Targeted health promotion and protection services will complement the Family Health Team approach. Outreach-based health education and promotion campaigns and population-based health screenings for diabetes and hypertension will be key features in that regard.

52. The school health programme will continue to enhance behavioural change from an early age, mainly through the formulation of a school health policy.

53. E-Health will improve service delivery through the proper monitoring of patient information, such as cohort analysis on treatment outcomes. UNRWA will continue to upgrade its health centres under the Family Health team approach and to consider the spatial requirements of that approach, including in terms of patient flow, health team composition, zoning and adjacencies. UNRWA will seek to promote accessibility for refugees with disabilities and specific gender requirements, including through the green approach.

54. With the increasing demand reflected in hospitalization caseloads across all five fields of UNRWA operations, hospitalization demand will continue to outstrip supply capacities. UNRWA will redirect its focus and accord highest priority to

those with life-threatening illnesses who lack the financial assets or insurance coverage to access health-care services. UNRWA will engage in complementary activities with partners as a tool to enhance response and maximize opportunities to increase resource mobilization through association.

55. UNRWA will address the impact of the restrictions on access to health care. In circumstances in which refugees do not have access to health services, the Agency will strive to reach them with its own services, for example, through mobile health clinics. UNRWA will actively look for opportunities to rationalize the use of resources.

56. Collaboration with local, national and international partners is critical to facilitating the level of access to comprehensive care that Palestine refugees need. UNRWA will continue to collaborate with long-standing historical partners, particularly WHO, the United Nations Population Fund and the United Nations Children's Fund (UNICEF), to improve its technical capacity in health services. UNRWA will also continue to partner with local and global partners such as the World Diabetes Foundation in the delivery of its strategic objectives.

57. UNRWA will actively work with host Governments and individual municipalities to ensure maximal provision of municipal services to camp communities. Where circumstances demand, notwithstanding these efforts, that UNRWA carry out such activities as solid waste removal, the Agency will seek to ensure the most cost-effective operation possible.

58. Furthermore, UNRWA will prioritize projects addressing water resources, supply and networks, sewerage networks and water drainage in camps that suffer from severely deteriorated environmental infrastructure.

59. The strategic framework reflects the following expected accomplishments:

(a) Universal access to quality, comprehensive primary health care

(b) Sustained protection and promotion of family health

(c) Ensured prevention and control of diseases.

D. Financial resources

Table 11
A long and healthy life

Resource requirements by objective
(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Universal access to quality, comprehensive primary health care	96 584	98 066
Protection and promotion of family health	12 016	12 446
Prevention and control of diseases	23 458	23 839
Total regular budget	**132 058**	**134 351**
Project budget	**49 617**	**39 236**
Grand total	**181 675**	**173 587**

Chapter III

Goal 2: acquired knowledge and skills

A. Human development goal

60. Education is a social process that contributes to the development of current and future generations, develops and applies new knowledge, serves to reinforce and/or change social and cultural norms and practices, and contributes to identity-building. As a fundamental human right, education plays a key role in all aspects of human development. It provides people with social and cognitive skills that they can use to support themselves financially through paid employment later in life.

61. UNRWA provides education services to nearly half a million Palestine refugee children through some 666 schools. The Agency's education programme is its largest in terms of both staff and budgetary allocation, with 57 per cent of the Agency's General Fund expenditure, operating one of the largest education systems in the Middle East. The Agency's education system provides basic education through 9 years (10 in Jordan) of free primary and preparatory education across its five fields of operation, as well as secondary schooling in Lebanon.

62. The number of children accessing UNRWA schools has been steady in most fields for a number of years. Such schools in Lebanon and Jordan are having to absorb additional students displaced from the Syrian Arab Republic. More significantly, however, in the Gaza Strip, there has been a progressive increase in student numbers over several years, with almost 90 per cent of the school-age refugee population attending UNRWA schools. During the period 2002-2012, the number of children in UNRWA schools in Gaza increased from 189,000 to 225,000.

63. In 2011, the UNRWA education programme began the design and implementation of a major four-year reform. The reform was implemented in response to an increasing concern in the region as a whole, and within UNRWA specifically, that students were not developing the types of skills necessary to achieve their full potential and contribute positively to the development of their society and the global community. It seeks to transform classroom practices through a holistic, interrelated approach, both in terms of focus areas, such as teachers, curriculum, inclusion, evidence-based planning and research, and in terms of its operationalization at three levels: policy, organization and individual capacity.

64. Common education indicators have been developed to enable the Agency to better monitor how UNRWA is responding to the challenges associated with reform and to be more meaningfully situated in the national, regional and global context in which it operates. They include perceptional indicators to measure the alignment of teaching learning practices with the education reform, the prevalence of human rights culture (as defined by the new UNRWA human rights, conflict resolution and tolerance policy) and practices at the school level, in addition to indicators measuring enrolment, retention and the overall efficiency of the UNRWA education system.

65. UNRWA is developing an Agency-wide educational management information system, which will strengthen its capacity to provide timely and reliable reports against key education indicators.

66. At the heart of the UNRWA education programme is quality, inclusive and equitable education. Here, the Agency's Inclusive Education Policy of 2013, in line with the UNRWA Policy on Gender Equality of 2007, the Education Gender Mainstreaming Strategy of 2008 and the Disability Policy of 2010, promotes equal opportunities for access to quality education, learning and participation for all children. School parliaments provide a voice to Palestine refugee children and empower them.

67. UNRWA has become a pioneer in emergency education programming. A multi-stranded response to the emergency in Syria has been implemented for affected children in the Syrian Arab Republic, Lebanon and Jordan. This approach encompasses alternative learning spaces and the use of self-learning materials; psychosocial support through counsellors who work directly with the children and support teachers; and security and survival skills training. These strands are underpinned by strengthened data collection and enhanced communication systems.

B. Constraints and challenges

68. Issues of disparity and inequity in pupil performance remain. The proportion of UNRWA students below the expected grade level ranges between 43 per cent in eighth-grade Arabic and 68 per cent in fourth-grade mathematics, while there are between 32 per cent and 57 per cent performing at or above expectations.

69. Studies showed that, in all fields, classroom practices are very traditional, teacher-fronted and limited in terms of diversity in practices to support and encourage learning by all students.

70. Educational infrastructure has suffered from a lack of resources and increasing demographic pressures, with 70 per cent of UNRWA schools running double shifts. In addition, UNRWA is still using several non-purpose-built schools, which negatively affects the efficient allocation of resources and poses threats to life and property in the event of a natural disaster.

71. Child marriage and early withdrawal from school to provide support or work at home have an impact on girls' access to education.

72. Conflict within host countries and across the region has an impact on children's right to education.

73. As noted above, prolonged political, social and economic instability, combined with repeated and widespread violations of human rights, continues to have significant adverse effects on the psychosocial well-being of children in UNRWA schools. This presents a challenge to achieving quality, inclusive and equitable educational outcomes, and efforts to reach such outcomes must be undertaken systemically and specifically. The capacity of the UNRWA education system and other UNRWA services to respond to such needs is limited and must be developed.

C. Expected accomplishments

74. UNRWA will maintain and further strengthen its commitment to quality, inclusive and equitable education in order to best equip students to realize their

potential as individuals and members of their society, including the broader global community.

75. UNRWA will work towards ensuring that its schools and classrooms are supportive to all children and will therefore promote their psychosocial well-being. It will build the capacity of teachers, school counsellors and the education system as a whole to better respond to children's psychosocial needs. It will establish support systems to assess and address those needs and will work with other sectors within UNRWA to ensure that support and referral systems are in place; these will draw upon the support and expertise of partners. Measuring progress against clearly defined indicators will be key, and UNRWA will reflect such indicators within its monitoring and reporting frameworks.

76. The Agency's focus will be quality, equity and inclusiveness of provision and outcome. The UNRWA education programme will seek to close the gap in student achievement. It will achieve this through continued emphasis on enhancing the professionalization of teachers in UNRWA schools; enhancing the capacity of education staff to develop behaviour that promotes the psychosocial well-being of their students; enriching curricula to ensure that they are developing students' skills; building competences and attitudes that reflect United Nations values; and developing children's knowledge and understanding of human rights concepts, roles and responsibilities through the human rights, conflict resolution and tolerance programme. Central to those interventions will be evidence-based policy planning and the adoption of an integrated, coherent approach.

77. There will be an increased focus on students who require targeted interventions to achieve their potential in education. This includes students with disabilities, children from poor backgrounds, those with additional psychosocial needs, students who are underperforming in standardized tests, children who have experienced abuse, physical violence and exploitation, and children with severe diseases. Violence both in and around schools has been identified as a key priority, and will continue to be addressed comprehensively in a unified way.

78. UNRWA will seek to mobilize the resources to, first, reduce the number of schools operating on double shifts and, second, improve the infrastructure of its schools to ensure that they help to facilitate quality, equity and inclusiveness, providing a favourable learning environment with accessibility for all refugees, including those with disabilities.

79. UNRWA will gradually mainstream the green approach in the design and upgrading of its facilities, in order to reduce running costs and minimize the negative effects of the consumption of energy in the operation of its facilities on the environment. UNRWA will strive to gradually eliminate the use of unsafe rented schools and upgrade schools to meet UNRWA infrastructure security, safety and accessibility standards.

80. UNRWA will continue to provide education services in extremely challenging environments. As part of its Syrian response, UNRWA will continue to implement a coherent Agency-wide approach that includes alternative modalities of learning, safety, security training, survival skills, psychosocial support with additional counsellors in place in all three fields, enhanced communication and engagement with parents and communities, and teacher training.

81. The UNRWA education programme has benefited greatly from the Agency's partnership collaboration with UNESCO since its foundation. UNRWA underscores the importance of its growing collaboration with other partners, including UNICEF, the Norwegian Refugee Council and the Deutsche Gesellschaft für Internationale Zusammenarbeit. UNRWA will look into facilitating access to early childhood education through strategic partnerships and continue to work closely with ministries of education in all fields.

82. The strategic framework reflects the following expected accomplishments:

(a) Universal access to and coverage of basic education;

(b) Enhanced educational quality and outcomes as measured against set standards;

(c) Improved access to educational opportunities for learners with special education needs.

D. Financial resources

Table 12
Acquire knowledge and skills

Resource requirements by objective
(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Universal access to basic education	344 258	357 029
Improved educational quality and outcomes against set standards	5 964	6 047
Total regular budget	**350 222**	**363 076**
Project budget	**71 093**	**9 271**
Total	**421 315**	**372 347**

Chapter IV
Goal 3: a decent standard of living

A. Human development goal

83. This subprogramme comprises two elements: (a) strengthening refugee capabilities for increased livelihood opportunities; and (b) ensuring that refugees are able to meet their basic food and shelter needs.

84. Livelihood opportunities derive from the capabilities, assets — (including both material and social resources) and activities required to make a living. Access to resources for a decent standard of living is also important for sustainable livelihoods. As a fundamental human right, employment is a primary means of mitigating poverty, building human dignity and promoting human development and recovery from conflict.

85. UNRWA contributes to Palestine refugee livelihood opportunities in three ways: (a) directly, through its programmes; (b) indirectly, through the jobs it creates in its operations, including the staff it employs and the opportunities created in the reconstruction sector through its reconstruction projects; and (c) through its promotion of and support for Palestine refugees' access to economic opportunities through advocacy with host Governments and local economic actors.

86. UNRWA provides guidance counselling, labour-market studies and awareness programmes for employment after school, and operates nine technical and vocational education and training centres, from which some 20,000 students graduated between 2010 and 2014. The technical and vocational education and training programme provides UNRWA students with a comparative advantage in finding employment and plays an important role as part of early recovery in conflict contexts. It provides diverse courses, including trade, professional and short-term courses, through strong links with the local labour market. Employment rates for graduates of the programme are high, at 72 per cent for males and 63 per cent for females in 2014, including in the Syrian Arab Republic.

87. UNRWA offers microfinance services through two channels: the microfinance programme and the microcredit community support programme. Those initiatives work to ensure that Palestine refugees, including women and the abject poor, have access to microcredit.

88. The microfinance programme provides sustainable income-generation opportunities for Palestine refugees and other poor or marginalized groups in all UNRWA fields of operation except Lebanon. It extends credit and complementary financial services to households, entrepreneurs and small business owners. Those investments create and sustain jobs, reduce poverty and empower its clients, particularly women. Between 2010 and 2014, 168,000 loans, with a total value of $188 million, were issued.

89. The microcredit community support programme seeks to increase the individual household assets of vulnerable Palestine refugees. The programme serves Palestine refugees in all UNRWA fields except the Gaza Strip. Between 2010 and 2014, approximately 15,250 loans, valued at $15.7 million, were disbursed.

90. For high achievers unable to afford tertiary education, UNRWA provides university scholarships across all fields with project funding.

91. Each field has established tailored economic opportunity portfolios specific to its context to enhance livelihood opportunities for Palestine refugees. For example, in Lebanon, employment service centres have been established to link Palestine refugees with employment opportunities. In the Gaza Strip, emergency appeal funding supports job creation schemes.

92. Approximately one fifth of the Palestine refugee population lives in 58 camps in the five fields of operation. The Infrastructure and Camp Improvement Programme, following a participatory needs assessment through urban planning, attempts to reform the space and improve the setting and environment in which refugees live. The programme also examines the built environment of camps within their context, links them to the local context, resources and potential, and contributes through the linkages and the integration efforts to come up with innovative solutions to the refugees' worst problems, in particular with respect to the alleviation of poverty and improved quality of life. With the Agency's guidance, camp populations develop camp improvement plans, comprising an urban improvement plan and a community development plan. So far, camp improvement plans have been developed for 10 camps.

93. UNRWA is one of the largest employers of Palestine refugees in the Near East. Providing employment opportunities with UNRWA is not a strategic objective in itself, but it is important to recognize that the salaries paid by UNRWA not only ensure continued quality of services for refugees, but also represent an injection of income into refugee and other local communities. UNRWA employs 30,000 full-time employees, almost half of whom are women, and thus approximately 150,000 people benefit directly from its salaries and many more benefit indirectly. UNRWA also creates livelihood opportunities through its construction projects.

94. Similarly, UNRWA provides a large economic stimulus to the local economies in its fields of operation through procurement, which in 2014, for example, was valued at $191 million.

95. Safeguarding the right to food and improving the nutritional status of individuals and families help to prevent malnutrition and stunted growth and enable human productive capacities to be expended on development needs such as education and livelihoods.

96. Shelters provide refugees a home, security for their belongings, safety and protection for their families from the cold, dampness, heat, rain, wind and other threats to health, a place to strengthen social relations and networks, a place for local trading and service provision, and a means to access basic services. For women, shelter is particularly significant in terms of its impact on poverty, health, child rearing and protection from violence. As a basic human need, refugees should have sustainable access to safe drinking water, sanitation, drainage, natural lighting, washing facilities, means of food storage, refuse disposal and emergency services.

97. UNRWA is one of a limited number of actors that provide food or cash assistance directly to Palestine refugees living in poverty. It does so with resources provided under its emergency programme and its Social Safety Net Programme. UNRWA seeks to provide food parcels containing 80 per cent of caloric needs to all refugees living in abject poverty, defined as those who cannot meet their food

consumption needs. However, the number of beneficiaries is inevitably dependent on the funding received. At present, the Social Safety Net Programme remains severely underfunded and locked into a food distribution programme combined with ineffective amounts of cash distribution. The Agency's preferred modality of direct assistance to poor refugees who are not able to meet their food needs is through the provision of cash transfers. This is for numerous reasons, including ensuring efficiency, flexibility, and convenience for refugees as well as safeguarding their dignity.

98. In shelter rehabilitation projects, UNRWA assesses and prioritizes substandard shelters that are structurally unsafe, built with temporary material such as asbestos and zinc, overcrowded and lacking in gender separation. Progress in rehabilitating shelters and meeting annual targets has been challenging owing to financial constraints and conflict.

99. During conflict and emergency situations, UNRWA provides temporary shelters to refugees and their families in UNRWA facilities. However, as it must continue to provide educational and other services to refugees, the Agency is not in a position to continue using its facilities for protracted periods. In post-conflict situations, UNRWA mobilizes resources to help repair shelters that are damaged or destroyed by conflict. It has, on occasion, taken a central role in major construction and/or the reconstruction of neighbourhoods or camps and appealed to other actors and stakeholders to assist and lead in the reconstruction process.

100. UNRWA does not manage or administer official refugee camps. The provision of public services is the responsibility of host authorities. Nevertheless, UNRWA offers support where necessary, appropriate and possible.

B. Constraints and challenges

101. With unemployment rising, economic engagement for Palestine refugees is of concern across all fields. In particular, high rates of youth unemployment, especially among young women, and low labour force participation rates for women, which range between 10 and 18 per cent across UNRWA fields of operation, will remain the most significant livelihood challenge for Palestine refugees.

102. Although refugees have strong human capital as a result of the education and health structures provided by UNRWA and host authorities, the majority of refugees do not have access to the full range of assets, namely, social, natural, physical and financial capital, required for sustainable livelihoods, including those required to develop coping strategies and build resilience.

103. The situation in refugee camps is particularly dire. In general, refugees who have improved socioeconomic status move outside camps as a result of the poor living conditions there.

104. Owing to poverty, unemployment, increased population density and a deteriorating built environment, there is a shortage of adequate housing in camps. This is coupled with a lack of regulatory frameworks and planning, which is resulting in a rapid rate of haphazard urbanization. Services are lacking, and social infrastructure is deteriorating. Social problems are increasing. Isolation and social segregation are serious problems facing refugees living in camps.

105. Regulatory changes in the Occupied Palestinian Territory and in Jordan in relation to microfinance present significant challenges for the Agency in maintaining and expanding its microfinance and microcredit programmes. The changes threaten the continued success of the microfinance programme and the microcredit community support programme and any potential increase in their impact for vulnerable Palestine refugees, including women, youth and those affected by emergencies.

106. UNRWA operates in contexts of increasing political instability, worsening socioeconomic conditions and growing protection gaps for Palestine refugees, all of which threaten efforts to meet the basic human needs of food, shelter and environmental health.

107. Levels of food insecurity among Palestine refugees remain high and are growing and deepening. At the same time, the assistance provided by UNRWA is far from sufficient, and food-insecure households must resort to other sources to supplement what UNRWA provides. Many must find coping strategies such as selling belongings or eating less. Others resort to eating poor-quality food, which has a number of health implications, including diabetes and obesity. The "hunger gap" that people cannot make up either from their own resources or from aid will continue to grow over time owing to the increased cost of living.

108. The needs of refugees living in substandard shelters are growing. The majority of shelters have asbestos roofing, which constitutes a health threat.

109. Sanitation-related communicable diseases are still a problem in some Palestine refugee camps, as access to potable water and sanitation is worsening across UNRWA fields of operation. This is particularly a problem in contexts affected by conflict.

C. Expected accomplishments

110. The Agency will focus on building the capabilities of refugees and increasing access to livelihood opportunities. It will do so by strengthening the capacities of refugees through training and other educational opportunities, enabling access to financial services, creating employment opportunities as an indirect by-product of its operations, and advocating for refugees' legal right to work where it is restricted.

111. The Agency's livelihood interventions will target refugees who are most in need, in particular youth and women, who have high unemployment rates across all UNRWA fields of operation. UNRWA will place particular focus on promoting employment and income-generating opportunities for refugees in conflict and post-conflict settings.

112. UNRWA will continue to prioritize improvements to camps in order to enhance the communities' capacities and assets. Prioritization criteria have been developed that take into consideration physical, spatial, social, economic and environmental conditions. The Agency will target at least one camp/field for comprehensive improvement through the production of new camp improvement plans and will follow up on sustainable implementation of the current camp improvement plans.

113. UNRWA will seek to increase the number of technical and vocational education and training graduates. UNRWA will seek to generate more diversity and flexibility in the courses offered and to better align those courses with local market demand. It will provide greater access for vulnerable youth, improve the gender

dimension of programming and enrolment, enhance the programme's efficiency, quality and labour market relevance and ensure overall programme sustainability and effectiveness. Where possible, co-financing will be introduced, with the goal of generating a broader resource base for the expansion of technical and vocational education and training placements and opportunities. Increased tracking of graduates and engagement and feedback loops with employers will enable the programme to ensure that courses remain relevant and appropriate.

114. UNRWA will review its education science facilities in the West Bank and Jordan and their provision of teacher training to assess their contribution to the strategic objectives of the education programme and to those of the Agency as a whole. This review will consider the role of the Education Sciences Facility and the Faculty of Educational Science and Arts with regard to teacher supply in UNRWA schools.

115. UNRWA will study the effectiveness and impact of its scholarship projects, particularly for the vulnerable.

116. UNRWA will complete the transformation of the microfinance programme into a new microfinance institution independent of UNRWA by 2017, subject to certain conditions. This will enable the programme to secure new sources of financing to expand and benefit more persons, including more Palestine refugees, than it can under UNRWA. UNRWA will ensure that the new entity fully maintains the Agency's microfinance mission for Palestine refugees, women, youth, the poor and those affected by conflict.

117. UNRWA will also study how it can best ensure that vulnerable Palestine refugees have access to microcredit, microfinance and savings facilities. UNRWA will determine whether and how the microcredit community support programme can be made more effective.

118. UNRWA will assess the effectiveness of the Employment Services Centre model used in Lebanon and the job creation programmes. In so doing, UNRWA will consider opportunities to improve the programmes' impact and the extent to which they could be implemented in other UNRWA fields.

119. UNRWA commits itself to doing more to move towards gender parity in management positions. It will do so by improving recruitment practices by eliminating unintended obstacles to women's success and establishing processes to support capacity-building for women. The Agency will support, to the extent possible, opportunities for staff members to undertake assignments with sister United Nations agencies and other recognized international organizations.

120. UNRWA will continue to enhance opportunities in the delivery of livelihood support through its ongoing collaborations with partners, including with the Fund for International Development of the Organization of the Petroleum Exporting Countries through the PalFund trust fund, with the Palestine Monetary Authority through the Palestine Credit Bureau, and with the Deutsche Gesellschaft für Internationale Zusammenarbeit and relevant members of United Nations country teams, including the International Labour Organization. The Agency will also seek to establish a partnership with the World Bank and the United Nations Development Programme, on promoting and developing economic engagement opportunities. Engagement with the United Nations Entity for Gender Equality and the Empowerment of Women will be sought in the area of women's economic empowerment.

121. New partnerships at the local level within fields will look to the private sector and the business community with the aim of increasing access to labour market information and expanding vocational training.

122. In the provision of food assistance, UNRWA will continue to target the abject poor. Wherever possible and appropriate, UNRWA will adopt a cash-transfer mechanism in preference to the direct provision of food. UNRWA will seek to mobilize sufficient resources to ensure that direct assistance to those who are food-insecure is equivalent to at least 20 per cent of the daily needs of those below the abject poverty line.

123. UNRWA will seek partnerships to consolidate its efforts in helping Palestine refugees meet their basic human needs of food, shelter and environmental health. UNRWA will continue to work with the World Food Programme in the delivery of food assistance, both on the logistics side of food delivery and in twinning deliveries, where appropriate, to deliver tandem support to host communities and Palestine refugees.

124. UNRWA will gradually rehabilitate and repair substandard shelter. It is estimated that, if the requisite funding is received and rehabilitation targets are met, the number of poor refugees living in substandard shelter will decrease by more than 28 per cent between 2012 and 2021.

125. In emergencies, the Agency will continue to provide humanitarian assistance to refugees, including the most vulnerable and those who have been displaced internally or to other UNRWA fields. Strategic responses to emergencies will include advocating on behalf of affected Palestine refugees with host authorities, United Nations agencies and donors; making its premises available to shelter and protect displaced civilians during armed conflict; promoting partnerships with donors, non-governmental organizations and others; and closely coordinating with the United Nations Humanitarian Coordinator.

126. UNRWA will prioritize projects addressing water resources, supply and networks, sewer networks and water drainage in camps that suffer from severely deteriorated environmental infrastructure. UNRWA must strengthen its capacity to monitor the quality and quantity of the water provided to refugees.

127. The strategic framework reflects the following expected accomplishments:

(a) Reduced poverty among the poorest Palestine refugees;

(b) Increased inclusive financial services through access to credit and savings facilities;

(c) Enhanced skills and improved access to employment for Palestine refugees;

(d) Sustained camp development and the upgrading of substandard infrastructure and accommodations.

D. Financial resources

Table 13
A decent standard of living

Resource requirements by objective
(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Reduced poverty among the poorest Palestine refugees[a]	55 242	55 390
Sustained access to employment for Palestine refugees	22 438	22 719
Substandard camp infrastructure and accommodation upgraded	1 526	1 574
Inclusive financial services and access to credit and savings facilities increased	315	323
Total regular budget	**79 521**	**80 006**
Project budget	**564 390**	**130 480**
Total	**643 911**	**210 486**

[a] Includes Social Safety Net Programme Food Reserve of $26 million and $26 million for the years 2016 and 2017, respectively.

Chapter V
Goal 4: human rights enjoyed to the fullest

A. Human development goal

128. All persons are holders of fundamental rights, which derive from the inherent dignity of the human person. The primary responsibility to respect, protect and fulfil these human rights lies with States. The Agency's role is to contribute to the protection of Palestine refugees when this responsibility is not fulfilled. Refugees are entitled to international protection, which both reflects and seeks to respond to their specific situations. Protection refers to all activities aimed at obtaining full respect for the rights of the individual in accordance with the letter and spirit of the relevant bodies of law, namely, human rights law, international humanitarian law and refugee law.

129. For UNRWA, protection is what the Agency does to safeguard and advance the rights of Palestine refugees, including through the direct provision of services and other activities. Human rights and human development reinforce each other, and expanding people's capabilities and protecting their rights go hand in hand.

130. In recent years, UNRWA has significantly strengthened its protection role by introducing dedicated capacity both at headquarters and in field offices. The Agency has introduced various initiatives to mainstream protection into its service delivery in accordance with the tools developed in recent years.

131. UNRWA is encouraged by the General Assembly to further address the needs and rights of children, women and persons with disabilities in its operations in accordance with the relevant international human rights treaties. UNRWA has a gender mainstreaming strategy, and a gender-based violence programme, a disability policy and an inclusive education policy and is undertaking a mapping exercise to develop a child protection framework.

132. Programmatically, UNRWA has focused on violence and abuse in Palestine refugee communities, particularly violence and abuse directed at women, children, persons with disabilities and vulnerable groups more broadly. In order to respond to these protection issues, UNRWA has established specialized family and child protection projects and systems to detect, assess, intervene, refer and monitor protection cases, to ensure a holistic and comprehensive response to violence and other threats, either on the part of the Agency itself or in coordination with key protection actors.

133. In addition, the Agency has been a strong advocate of the protection and promotion of the rights of Palestine refugees. UNRWA documents alleged human rights violations and brings them to the attention of duty bearers and the international human rights system.

B. Constraints and challenges

134. Palestine refugees are facing a wide range of protection challenges in all UNRWA fields of operation. A key obstacle for the protection of Palestine refugees is duty bearers' lack of compliance with their obligation to protect and promote the human rights of Palestine refugees.

135. While UNRWA has strengthened its internal capacity to deliver on its protection mandate, it still lacks the full capacity and specialized skills to do so.

136. The protection of survivors of gender-based violence and other forms of violence is extremely challenging, often requiring specific psychosocial interventions with families. There are not enough sufficiently trained and equipped experts within Palestinian communities to provide such support.

137. The definition of a person eligible for registration with UNRWA as a Palestine refugee recognizes descendants only through the male line. Despite changes introduced in 2006, there is no consistency across the Agency regarding services for husbands and descendants of women married to non-refugees.

C. Expected accomplishments

138. UNRWA will further develop its protection approach, bringing its protection priorities into greater focus, providing greater coherence and consistency to its protection activities across the Agency and determining its role on the basis of an understanding of where it has added value compared with other United Nations agencies and protection actors.

139. UNRWA will address protection challenges that arise from its programme service delivery in education, health, relief and social services, microfinance and infrastructure and camp improvement. This will include focusing on instances in which UNRWA, through its actions or policies, unintentionally undermines the realization of specific rights such as the socioeconomic rights to food, water, health and education. By addressing such concerns through "do no harm" and other approaches, UNRWA service delivery promotes and respects the rights of beneficiaries and ensures the security and dignity of beneficiaries. In all contexts, the Agency will work to ensure that its assistance and service delivery is carried out in accordance with internationally agreed standards and its own minimum protection standards. UNRWA will regularly measure its level of compliance with these minimum standards and take any necessary corrective action.

140. UNRWA will seek to address cases of violence, abuse, neglect and exploitation of vulnerable groups, including women, children and persons with disabilities, regardless of the context. Specific protection threats include gender-based violence, abuse, exploitation, coercion and child marriage. Such cases often necessitate specialized services that UNRWA is unable to provide, and the Agency will therefore strengthen its tracking systems and referral mechanisms. UNRWA will continue to implement the multisectoral approach to responding to and preventing gender-based violence. The Agency will ensure that survivors are referred to its assistance programmes or external legal and psychosocial service providers and will support awareness-raising. UNRWA will take significant steps to mainstream gender, gender-based violence and child protection interventions to its emergency response.

141. UNRWA addresses vulnerability and external protection threats through targeted protection programming to empower and promote the resilience of Palestine refugees to protection threats. This involves the development of dedicated protection programmes that provide integrated assistance to respond to protection cases affecting individuals, families or communities. Such programmes differ from the Agency's ongoing service delivery, since they are stand-alone interventions

designed to respond to specific protection concerns. UNRWA will seek to expand such specialized protection programmes.

142. In coordination with its partners, UNRWA will promote respect for the rights of Palestine refugees under international human rights, humanitarian and refugee law. Within its existing capacity, UNRWA will monitor, report and engage in private and public advocacy on emblematic cases relating to threats to Palestine refugees. It will raise concerns about protection threats and seek accountability for violations of rights with the relevant authorities, both privately and publicly as appropriate. The Agency will use public advocacy, including media and strategic communications, to raise awareness of protection concerns affecting Palestine refugees and seek action to ensure that they are addressed. UNRWA will also continue to make predictable and consistent use of available international mechanisms with which the United Nations is mandated to cooperate, in particular the international human rights system, in accordance with the Agency's framework for effective engagement with the international human rights system.

143. UNRWA will carry out advocacy regarding legal status and international protection issues. This entails the protection concerns of Palestine refugees who are forced to flee from one field to another as a result of conflict. It also relates to the long-standing protection of refugees linked to their precarious legal status in host countries.

144. UNRWA will review and update its disability framework to ensure that the needs of persons with disabilities are adequately identified and addressed throughout its programmes and service delivery, in accordance with international standards. It will also develop a child protection framework.

145. The Agency will move towards resolving long-standing variations in registering and providing services to women married to non-refugees as well as their husbands and descendants. It will do so taking into account a number of protection, legal, financial and operational considerations, as well as the specific situation in each field of operations.

146. UNRWA will leverage existing partnerships, including with the Office of the United Nations High Commissioner for Human Rights, UNICEF and the International Committee of the Red Cross, on protection issues. It will also seek out and formalize other partnerships as a means to strengthen its own role on protection and better ensure the protection of Palestine refugees through joint projects, cooperation agreements and other mechanisms.

147. The strategic framework reflects the following expected accomplishments:

(a) Rights of Palestine refugees are safeguarded and advanced;

(b) Strengthened capacity of Palestine refugees to formulate and implement sustainable social services in their communities;

(c) Palestine refugee registration and eligibility for UNRWA services in accordance with relevant international standards.

D. Financial resources

Table 14
Human rights enjoyed to the fullest

Resource requirements by objective
(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Increased awareness and respect for the rights of Palestine refugees	1 623	1 653
Rights, safety and dignity of Palestine refugees promoted and protected	4 010	4 111
Palestine refugee status and eligibility to UNRWA services protected	2 213	2 245
Total regular budget	**7 846**	**8 009**
Project budget	**7 000**	**7 000**
Total	**14 846**	**15 009**

Chapter VI

Goal 5: effective and efficient governance and support in the United Nations Relief and Works Agency for Palestine Refugees in the Near East

A. Management services goal

148. This chapter outlines the management and operational responses to the following three primary risks. First is the risk that the Agency will have insufficient resources to enable it to address outcomes. Second is the risk of dramatic and unforeseen changes in the operating environment that change refugee needs or the Agency's ability to operate. Third is the risk associated with change.

149. UNRWA will: (a) build an ambitious fundraising and partnership approach; (b) strengthen management systems for maximum impact and effective response; and (c) foster and institute a culture of partnership with refugees and staff.

150. UNRWA has secured a greater diversification of the donor base to include more contributions from Arab States, emerging markets and other non-traditional donors, including the private sector. Nonetheless, efforts to finance the Agency remain significantly reliant on a small group of donors, and UNRWA has not been given sufficient resources to enable its operations to keep pace with the increasing needs of Palestine refugees.

151. UNRWA must mobilize more resources from traditional and new donors and other partners. To that end, it will develop a new resource mobilization strategy commencing in 2016.

152. UNRWA will build on sound management practices and programme reform efforts already embarked upon in order to continue providing vital quality services in a cost effective manner and will ensure that refugees benefit to the maximum extent possible from additional opportunities and services provided by others.

153. UNRWA is committed to managing its costs in a way that retains its capacity to achieve its strategic objectives with maximum impact within its resources, and without compromising essential services. The Agency's service delivery and the staff required for it are the greatest assets of UNRWA.

154. Through programme reforms such as those undertaken in its education and health programmes, UNRWA will deliver greater impact in terms of quality services without significant increases in its workforce. Given projected needs, some increase in that workforce will be required, but the Agency will seek, in the medium term, to limit this increase to the education sector in Gaza, where the number of children seeking admission to UNRWA schools is expected to continue to grow. That pattern is not expected in other fields of operation.

155. As regards compensation to its workforce, UNRWA is committed to being recognized by all stakeholders — its workforce, refugees, host authorities and donors — as a fair employer. UNRWA will continue to rigorously adhere to its pay policy, which is aimed at optimizing its human resources to ensure that the best possible services are provided to the refugee community. The pay policy dictates that the Agency will take into account the relationship between its compensation and that of the Government of the host country. In doing so, UNRWA will

endeavour to ensure that the compensation, including salaries, offered to its workforce are not significantly above or below the host country comparator or other timely analyses of labour market developments.

156. To strengthen its accountability in meeting its targets on gender equality and women's empowerment, UNRWA participates in the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women. Further progress is required in some areas, including the establishment of a gender marker system with financial benchmarks to track resource allocations to gender equality, and in relation to women in management positions.

157. UNRWA information systems architecture has been the subject of significant reforms in recent years. More work will be undertaken during the biennium to complete these reforms.

158. UNRWA will adhere to the principle of results-based management and will employ strong risk management systems and oversight structures. The Agency will continue to strengthen its monitoring and analytical capacity, including in relation to developing a better understanding of vulnerability to poverty and social marginalization and the ways in which its programmes and partners can provide a more effective response. UNRWA will make optimal use of evaluations and has developed a long-term evaluation plan for the period 2015-2021.

159. UNRWA will ensure that it operates in full compliance with its regulatory framework, applicable international law and the humanitarian principles of humanity, neutrality, impartiality and independence. It will conduct regular inspections of facilities and ensure that inspection and investigation systems are in place to ensure adherence to this commitment. There will be a no-tolerance approach to fraud, corruption and any other financial irregularities. UNRWA will optimize the benefit of strengthened legal capacities in all field offices and headquarters to reduce potential liabilities and exposure to reputational risk and to ensure maximum appreciation of and adherence to its privileges and immunities. The Agency will further develop and implement internal oversight workplans that address enterprise risk and, therefore, further its ability to achieve its strategic objectives. UNRWA will ensure that accepted recommendations of audits, evaluations and inspections, as well as decisions relating to fraud, corruption and other financial irregularities, are promptly followed up on and implemented.

160. Furthermore, UNRWA will ensure that efficient and flexible operational structures, systems and procedures are in place so that it is prepared and ready to respond to emergencies when they arise. Opportunity exist for the Agency to further improve its agility, its flexibility and, therefore, its effectiveness in any environment, whether one of relative safety, crisis, emergency or high risk.

161. UNRWA remains committed to building stronger and more empowering relationships with refugees and staff. Refugees must be given the opportunity to influence decisions that will affect them. The Agency will engage with and involve refugees at various stages in the planning cycle. UNRWA will improve communications and clarity to refugees about their entitlements and mechanisms for hearing and responding to petitions and complaints.

162. With so many of the Agency's achievements depending on the direct delivery of services to refugees by individual staff, building a strong culture of trust, consultation and respect at all levels in workforce management and staff relations is

of vital importance. With a view to building greater awareness of the perceptions, expectations and requirements of staff and management, consultation will foster higher levels of trust and respect in the workplace. Renewed efforts will be made to promote leadership development and a collaborative organizational culture. UNRWA will also strengthen its commitment to transparency, open communication and dialogue. UNRWA will ensure the proper handling of appeals and petitions from staff and will review in 2015 the effectiveness of the various mechanisms of the administration of its internal justice system in the light of the ongoing review of the United Nations system for the administration of justice.

163. The security of its staff is crucial to the Agency's presence and its mandate delivery. Carrying out humanitarian and human development activities in places of armed conflict or internal violence continues to be a dangerous undertaking. UNRWA recognizes that the risks to the refugee community are not distinguishable from the risks to its 30,000 local staff, who live within and serve the community. UNRWA acknowledges as a starting premise that it and its front-line staff will face significant risks. The key organizational issue is the way in which UNRWA manages those risks. The Agency will focus on four targeted initiatives to improve staff safety. First, it will finalize the establishment of an institutional security management framework. Second, it will carry out organizational and field operational risk assessments regarding the programmes, projects, activities, staff occupations and/or staff most risk at. Third, it will build the capacity of management and staff to make decisions about safety and security within the workplace, with an eye towards being able to identify and assess emerging risks. Fourth, it will further develop its security and operational risk management system in order to deliver on the aforementioned initiatives. It will do so in order to meet the mandatory United Nations requirement to maintain a robust internal security management system that adheres to the principles of determining acceptable risk; providing adequate and sustainable resources to manage risks to staff, operations, premises and assets; and implementing security policies and procedures.

B. Objectives

164. The objectives are to provide effective leadership and direction for achieving strategic objectives and to develop and sustain UNRWA, enabling it to carry out its mandate.

C. Financial resources

Table 15

Effective and efficient governance and support in the United Nations Relief and Works Agency for Palestine Refugees in the Near East

Resource requirements by objective

(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Provision of effective leadership and direction for achieving strategic objectives	71 845	72 710
Develop and sustain UNRWA, enabling it to carry out its mandate[a]	76 589	77 596
Total regular budget	**148 434**	**150 306**
Project budget	**3 248**	**3 282**
Total	**151 682**	**153 588**

[a] Excludes Microfinance Department budget self-sustained through interest income on loan distributions.

Chapter VII
Recommendations of the United Nations Board of Auditors: status of implementation

165. Table 16 illustrates the current status of 89 recommendations made by the Board of Auditors in its report for the biennium ended 31 December 2013. As at 31 July 2015, 39 recommendations had been implemented, 44 were under implementation, 1 had not been implemented and 5 had been overtaken by events.

166. The Agency's management is committed to implementing the recommendations, some of which require additional funding, span bienniums or require strategic intervention. The implementation of most of the recommendations indicated as under implementation is planned for the third and fourth quarters of 2015.

Table 16
Status of implementation of the recommendations of the Board of Auditors for the biennium ended 31 December 2013

		Implementation status			
Department	*Number of recommendations*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
External Relations and Communications Department	3	–	2	1	–
Finance Department	5	3	2	–	–
Department of Administrative Support	37	16	16	–	5
Programme coordination and support	25	9	16	–	–
Department of Human Resources	8	6	2	–	–
Department of Internal Oversight Services	8	5	3	–	–
Executive management	3	–	3	–	–
Total	**89**	**39**	**44**	**1**	**5**

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